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SUBJECT: POWELL/MCCORMICK DELEGATION MEETS PRESIDENT

KAGAME, REVIEWS USG ASSISTANCE PROGRAMS

- 11. On Tuesday, March 6, Deputy National Security Advisor for International Economic Affairs, David McCormick and Assistant Secretary for Educational and Cultural Affairs, Dina Habib Powell met President Kagame. The duo was accompanied by members of their traveling party and Ambassador Arietti.
- 12. McCormick began by expressing President Bush's continued commitment to achieving a successful conclusion of the WTO's Doha Round. McCormick also expressed his gratitude for the positive role Rwanda has played in the negotiations and thanked President Kagame for his leadership on the issue. President Kagame responded by noting that Rwanda has tried to play a constructive role at the WTO in bringing parties to a consensus; in the process, he said, Rwanda has sometimes come under fire from all quarters.
- 13. McCormick then noted that the USG continues to believe that the establishment of a Bilateral Investment Treaty would be helpful in attracting further private investment to Rwanda and that the USG is committed to working on that with the GOR. The GOR's economic reform program, as reflected in the country's positive marks in the World Bank's "Doing Business in Africa," is, McCormick said, the best way to promote economic development and should be commended.
- 14. McCormick closed by noting that the German Government, as host of this year's G-8 summit, has established two primary topics for the meting: global economic growth and ensuring that the underlying factors that drive economic development are in place in African countries. McCormick welcomed feedback from the GOR on how this issue can be moved forward. President Kagame welcomed the G-8's move to give more relevance to Africa and noted that there was much work to be done on both sides to ensure that development takes root in Africa. While African nations need to do more to "deserve" the G-8's support, partners in the developed world also need to pay more attention to the particular need of Africa. Kagame noted that some people's sense of injustice arising from underdevelopment can lead to insecurity. This is an issue, he said, that can be addressed through discussions such as those being proposed for the G-8 Summit.
- ¶5. A/S Powell noted that it was encouraging to see first hand the excellent leadership President Kagame is providing Rwanda and commented that her delegation had a strong interest in promoting public-private partnerships. She then inquired what sectors could be targeted for such partnerships to help Rwanda in its next phase of economic recovery and development. President Kagame responded by noting that the private sector is the key to Rwanda's economic growth but that the private sector in the country was starting from a very small base. Kagame then noted that Rwanda is looking forward to broadening partnerships with foreign investors in a range of sectors, including

tourism, energy, infrastructure, and agri-business. Kagame added that Google is still exploring the possibility of making Rwanda a regional hub, and that Alltel, Cisco, and Sun Microsystems all have been involved to some degree in Rwanda.

- 16. President Kagame went on to highlight the success of USAID's work in the specialty coffee sector as a clear example of how improving local knowledge and linking local communities to the outside world can improve lives. In one or two years, he suggested, Rwanda should be able to export all of its coffee washed, which would add greater value to the product.
- 17. Ambassador Arietti noted the USG's continued commitment to identifying further such areas of cooperation. For instance, the Embassy would examine the possibility of helping to develop Rwanda's pyrethrum processing capability so that at least a portion of the compound used for residual indoor spraying under the President's Malaria Initiative could be sourced locally.
- 18. President Kagame closed by noting that human capacity building is very critical and is a potential area for greater collaboration.
- 19. While in Rwanda, McCormick also traveled to the Gako Training Academy to review Rwanda's ACOTA program. At Gako, McCormick received a briefing on training currently being received by Rwandan troops slated for rotation to the Darfur region of Sudan as part of the AU's mission.
- 110. Apart from the meeting with President Kagame, the focal point of A/S Powell's first day in Rwanda was a visit to the FAWE Girl's School, where she announced a new exchange

program that will permit approximately 20 Rwandan students and five Rwandan teachers Q travel to the United States for a period of three to four weeks to examine civic education and leadership development programs for American students. The Assistant Secretary also visited a USAID-sponsored reconciliation and team-building project. The entire delegation rounded out their day with a briefing by religious leaders, who discussed faith-based reconciliation initiatives, and a reception in honor of ECA exchange program alumni and prominent members of the American community in Rwanda.

- 111. Day two of the delegation's visit included a visit to an orphans and vulnerable children program and neighboring community center funded through PEPFAR, and a trip to the Butare region to meet with coffee farmers who have benefited from USAID's support for the specialty coffee sector.
- 112. Media interest in the party's visit was high. The Assistant Secretary's exchange program announcement was front page news in Rwanda's only daily newspaper, and Rwandan TV and radio covered every event on the delegation's program.
- 113. This cable has been cleared by A/S Powell.

Arietti